

CENLA COMMUNITY ACTION COMMITTEE, INC.**AUDIT REPORT****MARCH 31, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/21/09

Terrie L. Jackson
Certified Public Accountants

CENLA COMMUNITY ACTION COMMITTEE, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Cenla Community Action Committee, Inc.
Alexandria, Louisiana

We have audited the accompanying statements of financial position of Cenla Community Action Committee, Inc. (Cenla) as of March 31, 2009 and 2008, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Cenla Community Action Committee, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cenla Community Action Committee, Inc. as of March 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2009 on our consideration of Cenla Community Action Committee, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial

reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, reading "Terry L. Jackson". The signature is written in a cursive, flowing style.

Houston, Texas
September 28, 2009

Cenla Community Action Committee, Inc.
Statements of Financial Position
March 31, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|-------------------------------------|-------------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash | \$ 396,169 | \$ 155,886 |
| Grants receivable | 82,596 | 101,855 |
| Other assets | <u>29,567</u> | <u>-</u> |
| Total current assets | 508,332 | 257,741 |
| Prepaid expenses | - | - |
| Property and Equipment | | |
| Furniture, fixtures, equipment | 997,822 | 997,822 |
| Vehicles | 1,237,048 | 1,237,048 |
| Buildings | 1,525,492 | 1,525,492 |
| Land | 45,225 | 45,225 |
| Less accumulated depreciation | <u>(2,159,920)</u> | <u>(2,018,865)</u> |
| Net property and equipment | 1,645,667 | 1,786,722 |
| Total assets | <u>\$ 2,153,999</u> | <u>\$ 2,044,463</u> |
| Liabilities and Net Assets | | |
| Current liabilities | | |
| Accounts payable | \$ 58,402 | \$ 83,664 |
| Accrued liabilities | - | 9,724 |
| Deferred revenues | 52,547 | 2,566 |
| Current portion of long term debt | <u>33,440</u> | <u>40,101</u> |
| Total current liabilities | 144,389 | 136,055 |
| Noncurrent liabilities | | |
| Notes payable | <u>660,957</u> | <u>700,945</u> |
| Total liabilities | 805,346 | 837,000 |
| Net assets | | |
| Unrestricted | 532,515 | 187,384 |
| Temporarily restricted | (0) | 62,887 |
| Permanently restricted | <u>816,136</u> | <u>957,191</u> |
| Total net assets | 1,348,650 | 1,207,461 |
| Total liabilities and net assets | <u>\$ 2,153,996</u> | <u>\$ 2,044,461</u> |

See accompanying notes.

Cenla Community Action Committee, Inc.
Statements of Activities
For the Years Ended March 31, 2009 and 2008

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>2009 Total</u> | <u>2008 Total</u> |
|--|---------------------|-----------------------------------|-----------------------------------|-----------------------|-----------------------|
| <u>Revenues, gains, and other support:</u> | | | | | |
| Grant funds | \$ - | \$ 8,789,372 | \$ - | \$ 8,789,372 | \$ 7,751,726 |
| Interest | - | - | - | - | - |
| Local | 46,411 | - | - | 46,411 | 71,030 |
| Senior Citizens | - | - | - | - | 25,605 |
| Other | 500 | - | - | 500 | 47,881 |
| | <u>46,911</u> | <u>8,789,372</u> | <u>-</u> | <u>8,836,283</u> | <u>7,896,242</u> |
| <u>Net assets released from restriction:</u> | | | | | |
| Satisfaction of program restrictions | 8,805,610 | (8,805,610) | - | - | - |
| Satisfaction of capital acquisition | - | - | - | - | - |
| Mortgage payments | 46,649 | (46,649) | - | - | - |
| Expiration of time restrictions | <u>141,055</u> | <u>-</u> | <u>(141,055)</u> | <u>-</u> | <u>-</u> |
| | <u>8,993,314</u> | <u>(8,852,259)</u> | <u>(141,055)</u> | <u>-</u> | <u>-</u> |
| Total unrestricted revenues, gains, and other support | 9,040,225 | (62,887) | (141,055) | 8,836,283 | 7,896,242 |
| <u>Expenses and losses:</u> | | | | | |
| Head Start and Early Head Start Grant | 6,014,044 | - | - | 6,014,044 | 6,204,867 |
| Child and Adult Care Food Program | 604,598 | - | - | 604,598 | 581,827 |
| Community Services Block Grant | 406,959 | - | - | 406,959 | 416,705 |
| Home Energy Assistance | 1,531,867 | - | - | 1,531,867 | 599,279 |
| Home Land Security | - | - | - | - | - |
| TANF | - | - | - | - | 2,178 |
| FEMA | - | - | - | - | - |
| Senior Citizens | 34,059 | - | - | 34,059 | 85,557 |
| General Services | 100,423 | - | - | 100,423 | 60,357 |
| Client Assistance | <u>3,144</u> | <u>-</u> | <u>-</u> | <u>3,144</u> | <u>-</u> |
| Total expenses and losses | 8,695,094 | - | - | 8,695,094 | 7,950,770 |
| Changes in net assets: | 345,131 | (62,887) | (141,055) | 141,189 | (54,528) |
| Net assets at beginning of year | <u>187,384</u> | <u>62,887</u> | <u>957,191</u> | <u>1,207,461</u> | <u>1,261,990</u> |
| Net assets at end of year | <u>\$ 532,515</u> | <u>\$ (0)</u> | <u>\$ 816,136</u> | <u>\$ 1,348,650</u> | <u>\$ 1,207,461</u> |

See accompanying notes.

Cenla Community Action Committee, Inc.
Statements of Cash Flows
For the Years Ended March 31, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|---|-------------------|--------------------|
| <u>Cash flows from operating activities:</u> | | |
| Cash received from grants | \$ 8,825,977 | \$ 8,174,939 |
| Cash paid to employees and suppliers | (8,481,357) | (8,197,064) |
| Interest paid | <u>(57,687)</u> | <u>(60,151)</u> |
| Net cash provided (used) by operating activities | 286,933 | (82,276) |
| <u>Cash flows from investing activities:</u> | | |
| Capital purchases | - | - |
| Other | <u>(73,138)</u> | <u>(73,138)</u> |
| Net cash provided (used) by investing activities | (73,138) | (73,138) |
| <u>Cash flows from financing activities:</u> | | |
| Increase (Decrease) in notes payable | (46,649) | 40,604 |
| Other | <u>73,137</u> | <u>2,566</u> |
| Net cash provided (used) by financing activities | 26,488 | 43,170 |
| Net increase (decrease) in cash | 240,283 | (112,244) |
| Cash at beginning of year | <u>155,886</u> | <u>268,130</u> |
| Cash at end of year | \$ 396,169 | \$ 155,886 |
| <u>Reconciliation of change in net assets</u> <u>to net cash provided by operating activities:</u> | | |
| Change in net assets | \$ 141,189 | \$ (54,528) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 141,055 | 141,509 |
| Change in receivables | (10,308) | 278,697 |
| Change in accounts payables | 14,996 | (447,954) |
| Net cash provided (used) by operating activities | <u>\$ 286,932</u> | <u>\$ (82,276)</u> |

Cenla Community Action Committee, Inc
Statements of Functional Expenses
March 31, 2009 and 2008

| Expenses: | Benevolent Fund | Non Fed | Payroll | Title XX | Early and Regular Head | | CACEP | CSBG | CSBG | Energy | Senior | 2009 TOTAL | 2008 TOTAL |
|--------------------|--------------------|------------|-----------|-------------|------------------------------|--------------|-----------|------------|------------|--------------|-----------|---------------|---------------|
| | | | | | Start | Start | | | | | | | |
| Personnel | \$ - | \$ - | \$ 92,394 | \$ - | \$ - | \$ 3,552,880 | \$ - | \$ 254,166 | \$ 42,832 | \$ 184,849 | \$ - | \$ 4,178,225 | \$ 4,255,830 |
| Fringe benefits | - | - | - | - | - | 1,240,437 | - | 131,938 | 11,170 | 56,319 | 57 | 1,452,102 | 1,448,849 |
| Travel | - | - | - | - | - | 68,791 | - | 5,060 | 799 | 10,260 | 488 | 90,003 | 115,320 |
| Equipment | - | - | - | - | - | - | - | - | - | 736 | - | 836 | - |
| Supplies | - | - | - | - | - | 183,205 | - | 1,606 | 574 | 2,964 | 5,953 | 194,301 | 186,980 |
| Occupancy | - | - | - | - | - | 109,758 | - | - | 1,100 | 8,262 | - | 119,120 | 127,211 |
| Contractual | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Telephone | - | - | - | - | - | 8,189 | - | 790 | 2,637 | 10,967 | 49 | 22,633 | 22,015 |
| Utilities | - | - | - | - | - | 151,835 | - | - | 2,144 | 10,923 | 272 | 165,174 | 172,148 |
| Insurance | - | - | - | - | - | 68,183 | - | 307 | - | 4,221 | 32 | 72,742 | 133,891 |
| Vehicle operations | - | - | - | - | - | 204,908 | - | - | - | 2,306 | - | 207,214 | 143,751 |
| Maintenance | - | - | - | - | - | 27,425 | - | 15,270 | 706 | 3,563 | 952 | 47,916 | 74,102 |
| Office expense | - | - | - | - | - | - | - | - | - | 9,647 | - | 9,647 | - |
| Professional | - | - | - | - | - | 72,414 | - | 700 | - | 1,200 | - | 76,292 | 74,764 |
| Food costs | - | - | - | - | - | 3,815 | - | 194,241 | - | - | - | 198,056 | 226,873 |
| Interest | - | - | - | - | - | 57,687 | - | - | - | - | - | 57,687 | 60,151 |
| Miscellaneous | - | - | - | - | - | - | - | - | 110 | 1,650 | - | 3,455 | - |
| Client assistance | - | 3,144 | - | - | - | - | - | - | 5,028 | 1,452,364 | 21,428 | 1,521,676 | 623,816 |
| Other | 149 | - | - | - | 6,214 | 123,464 | - | 520 | 1,090 | 735 | 4,828 | 136,960 | 143,560 |
| Total | \$ 149 | \$ 3,144 | \$ 92,394 | \$ 1,666 | \$ 6,214 | \$ 5,872,989 | \$ 68,150 | \$ 604,598 | \$ 317,775 | \$ 1,531,867 | \$ 34,059 | \$ 8,554,039 | \$ 7,809,261 |
| Depreciation | - | - | - | - | - | 141,055 | - | - | - | - | - | 141,055 | 141,509 |
| Total | \$ 149 | \$ 3,144 | \$ 92,394 | \$ 1,666 | \$ 6,214 | \$ 6,014,044 | \$ 68,150 | \$ 604,598 | \$ 317,775 | \$ 1,531,867 | \$ 34,059 | \$ 8,695,094 | \$ 7,950,770 |

See accompanying notes.
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CENLA COMMUNITY ACTION COMMITTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Program Description -

The Cenla Community Action Committee, Incorporated was incorporated by the State of Louisiana on March 17, 1965. Specifically, the corporation is organized to:

- A. promote and develop economic opportunity in the community comprising all of the Parish of Rapides and the State of Louisiana,
- B. provide services, directly and indirectly to those in need of increased economic opportunity,
- C. promote the education and welfare of the people of the community and State of Louisiana,
- D. provide decent housing that is affordable to low and moderate income people or homeless individuals,
- E. to mobilize such human and financial resources as may be available to combat poverty and economic instability in the community and the State of Louisiana, and
- F. to avail itself and the community of the benefits conferred by Public Law 88-452, 78 stat. 508, as may be periodically amended and supplemented by other statutes and by appropriate rules and regulations of any administrative body.

Cenla's operations are segregated into general grant programs as follows:

Head Start Program (HS) provides comprehensive educational and support services to low-income and disabled children three to five years of age and children who have not reached the compensatory school age. This program provides health, mental health, nutrition, education and parent involvement services to children in an effort to enable the child to function at an optimum level in their environment.

Early Head Start Program (EHS) provides similar services as Head Start to children of preschool age and services to pregnant mothers. Cenla operates Head Start and Early Head Start centers in Rapides Parish. The goal of the program is to bring about a greater depth of social competence in children by considering the total development of the child, to enable parents to become better caregivers and teachers to and for their children, and to assist parents in obtaining their personal goals including education and economic independence. Funding is provided through federal funds from the U.S. Department of Health and Human Services.

CENLA COMMUNITY ACTION COMMITTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2009
(Continued)

Child and Adult Care Food Program (CACFP) provides a food service program in conjunction with the Head Start and Early Head Start Programs. Funding is provided by federal funds passed through the State of Louisiana, Department of Education.

Community Services Block Grant (CSBG) provides administrative costs for various programs in order to provide assistance to low-income, disadvantaged and unemployed persons through providing emergency assistance, transportation services, housing services, nutrition services, community projects, employment services, and other services. Funding is provided by federal funds passed through the State of Louisiana, Department of Labor.

Home Energy Assistance Program (LIHEAP) provides assistance to low income households to offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Housing Finance Agency.

Senior Citizens Program provides funding to meet various needs of senior citizens of Rapides Parish. Funding is provided by an ad valorem tax passed through the Rapides Parish Police Jury.

Temporary Assistance for Needy Families (TANF) provides earned income tax credit (EITC) outreach and free federal tax preparation services for low-income individuals and families. Funding is provided through federal funds passed through the Department of Health and Human Services.

Reporting Entity - The governing body of Cenla is its Board of Directors. The Board appoints an Executive Director to administer the affairs of the agency. Cenla is not considered a component of the city, county or any governmental body. The governing board independently oversees the agencies operations.

- 1) The accompanying financial statements include all of the organization's programs, activities and functions of Cenla for which the Board has oversight responsibility, except as described in the following paragraph. Such oversight responsibilities include designation of management, the ability to significantly influence operations, accountability for fiscal matters, and the scope of public services.
- 2) Some equipment is owned by Cenla while used in the program for which it was purchased or in other future authorized programs. The funding sources, however, have a reversionary interest in the equipment purchased with grant funds, therefore its disposition, as well as the ownership of any sale proceeds therefrom is subject to funding source regulations.

CENLA COMMUNITY ACTION COMMITTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2009
(Continued)

NOTE 2: BASIS OF ACCOUNTING

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles. Cenla uses the accrual basis of accounting.

Financial Statement Presentation – The financial statements are presented as recommended by Financial Accounting Standards Board's Statement of Financial Accounting Standard (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. SFAS No. 117 requires the agency to report information regarding its financial position and activities into three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets.

Revenue and Support – Grant revenues (Grants and Governmental reimbursements) are recognized using the legal and contractual requirements of the Agency's programs as guidance. Grant revenues (where funds must be expended for specific purposes prior to amount being reimbursed to the Agency) are recognized based on expenditures recorded.

Cenla reports grants and gifts of cash and other assets as restricted support if they are received with donor or grant stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Property and Equipment – It is the Cenla's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulation regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Cenla recognizes depreciation on its fixed assets in accordance with generally accepted accounting principles. The Federal government has a reversionary interest in property purchased with Federal funds. Its disposition, as well as any disposition proceeds, is subject to federal regulations. The use of assets purchased with federal funds is limited to the purposes intended by the funding source. Fixed assets are depreciated using the straight-line method as follows:

| <u>Property & Equipment</u> | <u>Useful Life</u> | <u>Method</u> |
|---------------------------------|--------------------|---------------|
| Buildings | 30 years | Straight-line |
| Furniture, fixtures, equipment | 5 – 10 years | Straight-line |

CENLA COMMUNITY ACTION COMMITTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2009
(Continued)

| <u>Property & Equipment</u> | <u>Useful Life</u> | <u>Method</u> |
|---------------------------------|--------------------|---------------|
| Vehicles | 5 years | Straight-line |

Depreciation expense for the year ended March 31, 2009 totaled \$141,055.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, Cenla considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cenla had no cash equivalents at March 31, 2009.

Use of Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the reported revenues and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

Income Taxes – Cenla is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as a private corporation.

Contributed Services – During the year ended March 31, 2009, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Agency at the Head Start and Early Head Start facilities in meeting their non federal share requirement, but these services do not meet the criteria for recognition as contributed services.

NOTE 3: PROGRAM EXPENSES

Net assets were released from grantor restrictions by incurred expenses satisfying the restricted purposes or by occurrence of other events specified by funding sources.

Purpose restrictions accomplished:

| | |
|---|-------------|
| Head Start & Early Head Start Program | \$6,108,100 |
| Child and Adult Care Food Program | 604,598 |
| Community Services Block Grant | 367,607 |
| Temporary Assistance for Needy Families | --- 0 --- |
| Low Income Home Assistance Program | 1,531,867 |
| Homeland Security | --- 0 --- |
| Total | \$8,612,172 |

CENLA COMMUNITY ACTION COMMITTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2009
(Continued)

NOTE 4: LEASE COMMITMENTS

Cenla leases several buildings and certain operating equipment under operating leases. Rent expense for the year ended March 31, 2009 was \$91,375.

NOTE 5: NOTES PAYABLE

Cenla had notes payable in the amount of \$694,397 at year-end. These notes were netted against property and equipment.

Notes payable consists of the following at March 31:

| | <u>2009</u> |
|--|------------------|
| Loan payable, Evangeline Bank and Trust, maturity January 15, 2013, interest at 6.95%, monthly payments of \$2,078.00 including interest, with one balloon payment at maturity collateralized by buildings | \$ 163,386 |
| Loan payable, Peoples State Bank, maturity March 23, 2014, interest at 7.5%, monthly payments of \$4,558.19 including interest, with one balloon payment at maturity collateralized by building | 380,909 |
| Loan payable, Peoples State Bank, maturity December 15, 2013, interest at 7.5%, monthly payments of \$1,825.06 including interest, with one balloon payment at maturity collateralized by buildings | <u>150,102</u> |
| Total | 694,397 |
| Less current portion | <u>(33,440)</u> |
| Long-term portion | \$ 660,957 |

Interest expense related to the notes for the year totaled \$54,886.

Future maturities of long-term debt as of March 31, 2009 are as follows:

CENLA COMMUNITY ACTION COMMITTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2009
(Continued)

| Year ended March 31, | Approximate <u>Amount</u> |
|----------------------|------------------------------|
| 2011 | \$ 55,503 |
| 2012 | 59,692 |
| 2013 | 176,331 |
| Thereafter | <u>369,431</u> |
| Total | \$660,957 |

NOTE 6: CONCENTRATION OF CREDIT RISK

Cenla received over 98% of its funding from Federal and State grants with the Head Start program providing over 70% of all grant revenues.

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of March 31, 2009, Cenla had no significant concentrations of credit risk in relation to grant receivables.

NOTE 7: PENSION

Cenla participates in a qualified 403(b) plan for all eligible employees. Employees eligible to participate may contribute \$9,500 or 20% of their annual salary to the plan. Cenla will match the employees' contributions up to 5% of the employees' gross wages. The assets of the plan are managed by separate directors and are not included in these financial statements. Cenla contributed \$94,590 to the plan for the year ended March 31, 2009.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Employees of the agency are entitled to annual leave depending on job classification, length of service and other factors. Cenla's policy is to pay one year accumulated annual leave, not to exceed one hundred forty-four hours, if funds are available. Accordingly, no liability has been recorded in the accompanying statement of financial position. Cenla agrees to recognize the costs of compensated absences when actually paid.

Cenla participates in certain governmental financial assistance programs. Although Cenla's grant programs have been audited through March 31, 2009 in accordance with provisions of the Single Audit Act, these programs are still subject to financial and compliance audits by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although Cenla expects such amounts, if any, to be immaterial.

SUPPLEMENTAL INFORMATION

CENLA COMMUNITY ACTION COMMITTEE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2009

| Federal Grantor/Pass through Grantor/Program Title | Federal CFDA <u>Number</u> | Agency or Pass-through <u>Number</u> | Federal <u>Expenditures</u> |
|--|----------------------------------|--|--------------------------------|
| <u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> | | | |
| Direct Program | | | |
| Head Start Program | 93.600 | 06CH5002/43 | \$ 6,108,100 |
| Passed through Louisiana Department of Labor | | | |
| Community Services Block Grant (CSBG) | 93.569 | 2008N0014 | 302,585 |
| Community Services Block Grant (CSBG) | 93.569 | 2009N0014 | <u>65,022</u> |
| | | | 367,607 |
| Passed through Louisiana Housing Finance Agency | | | |
| Home Energy Assistance Program (LIHEAP) | 93.568 | Unknown | 1,531,867 |
| Passed through Louisiana Department of Social Services | | | |
| Temporary Assistance for Needy Families (TANF) | 93.558 | Unknown | - |
| Total U.S. Department of Health and Human Services | | | <u>8,007,574</u> |
| <u>U. S. DEPARTMENT OF AGRICULTURE</u> | | | |
| Passed Through Louisiana Department of Education | | | |
| Child and Adult Care Food Program (CACFP) | 10.558 | N/A | <u>604,598</u> |
| Total Federal Expenditures | | | <u>\$ 8,612,172</u> |

RECONCILIATION OF FINANCIAL STATEMENT EXPENSES TO FEDERAL EXPENDITURES

| | |
|------------------------------------|---------------------|
| EXPENSES FROM FINANCIAL STATEMENTS | \$ 8,695,094 |
| Less: Non federal expenses | (61,654) |
| Depreciation | (141,055) |
| Add: Mortgage payments | 46,649 |
| Other | <u>73,138</u> |
| Total Federal Expenditures | <u>\$ 8,612,172</u> |

See accompanying notes.

Cenla Community Action Committee, Inc.
Notes to Schedule of Expenditures of Federal Awards
March 31, 2009

Basis of Presentation – Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of federal awards includes federal grant activity of Cenla Community Action Committee, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore certain amounts presented in this schedule may differ from amounts presented or used in the financial statements.

Cenla is able to reconcile the amounts on the accompanying schedule of federal awards to those on the financial statements.

Non-federal expenses consist of the following:

| | |
|----------------------|--------------|
| Senior Services | \$34,059 |
| General Services | 22,636 |
| Non Federal Expenses | <u>4,959</u> |
| Total | \$61,654 |

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Cenla Community Action Committee, Inc.
Alexandria, Louisiana

We have audited the financial statements of Cenla Community Action Committee, Inc. (Cenla) as of and for the year ended March 31, 2009, and have issued our report thereon dated September 28, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cenla Community Action Committee, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cenla's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cenla's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the board of directors, others within the organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "T. L. Jackson".

Houston, Texas
September 28, 2009

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Cenla Community Action Committee, Inc.
Alexandria, Louisiana

Compliance

We have audited the compliance of Cenla Community Action Committee, Inc. (Cenla) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended March 31, 2009. Cenla Community Action Committee, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Cenla's management. Our responsibility is to express an opinion on Cenla's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cenla's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Cenla's compliance with those requirements.

In our opinion, Cenla Community Action Committee, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2009.

Internal Control Over Compliance

The management of Cenla is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Cenla's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cenla's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of management, the board of directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Houston, Texas
September 28, 2009

Cenla Community Action Committee, Inc.
Summary Schedule of Prior Audit Findings
March 31, 2009

There were no prior audit findings.

CENLA COMMUNITY ACTION COMMITTEE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2009

Section I –Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified that are not considered to be material weakness?

None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified that are not considered to be material weaknesses?

None reported

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? No

Identification of major programs:

CFDA Numbers

93.600 (Head Start and Early Head Start Program)

93.569 (Community Services Block Grant)

93.568 (Low Income Home Energy Assistance Program)

10.558 (Child and Adult Care Food Program)

Dollar threshold used to distinguish between type A and type B programs:
\$300,000

Auditee qualified as low-risk auditee? Yes

CENLA COMMUNITY ACTION COMMITTEE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2009
(Continued)

Section II-Financial Statement Findings

None reported

Section III-Federal Award Findings and Questioned Costs – Major Programs

None reported

CENLA COMMUNITY ACTION COMMITTEE, INC.
COMBINING STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2009

| Assets | BENEVOLENT FUND | NON FED | PAYROLL | NON FED | GEN ADMIN | ENERGY | SENIOR SERVICES | FIXED ASSETS | HEAD START | HEAD START | CSBG | CSBG | 2009 BALANCE | 2008 BALANCE |
|---------------------|-----------------|------------------|-------------------|-----------------|-----------------|------------------|-------------------|---------------------|------------------|-----------------|-----------------|-----------------|---------------------|---------------------|
| Current Assets | | | | | | | | | | | | | | |
| Cash | \$ 1,887 | \$ 16,057 | \$ 129,189 | \$ 3,434 | \$ 7,925 | \$ 90,087 | \$ 119,861 | \$ - | \$ 10,897 | \$ 1,839 | \$ 4,353 | \$ 9,050 | \$ 396,169 | \$ 155,886 |
| Grants Receivable | - | - | - | - | - | - | - | - | 82,596 | - | - | - | 82,596 | 101,855 |
| Other Assets | - | - | - | - | - | - | - | - | - | - | - | - | 29,567 | - |
| Total | 1,887 | 16,057 | 129,189 | 3,434 | 7,925 | 90,087 | 119,861 | - | 93,493 | 1,839 | 4,353 | 9,050 | 508,332 | 257,741 |
| Prepaid Expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fixed Assets | | | | | | | | | | | | | | |
| Furn. Fix & Equip | - | - | - | - | - | 609 | - | 997,213 | - | - | - | - | 997,822 | 997,822 |
| Vehicles | - | - | - | - | - | - | - | 1,237,048 | - | - | - | - | 1,237,048 | 1,237,048 |
| Buildings | - | - | - | - | - | - | - | 1,525,492 | - | - | - | - | 1,525,492 | 1,525,492 |
| Land | - | - | - | - | - | - | - | 45,225 | - | - | - | - | 45,225 | 45,225 |
| Accum Depreciation | - | - | - | - | - | (609) | - | (2,159,311) | - | - | - | - | (2,159,920) | (2,018,865) |
| Total | - | - | - | - | - | - | - | 1,645,667 | - | - | - | - | 1,645,667 | 1,786,722 |
| Total Assets | \$ 1,887 | \$ 16,057 | \$ 129,189 | \$ 3,434 | \$ 7,925 | \$ 90,087 | \$ 119,861 | \$ 1,645,667 | \$ 93,493 | \$ 1,839 | \$ 4,353 | \$ 9,050 | \$ 2,153,999 | \$ 2,044,463 |
| Liabilities | | | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | | | |
| Accounts payable | - | - | - | - | - | - | 10,991 | - | 40,946 | 1,839 | 4,353 | 68 | 58,402 | 83,664 |
| Accrued liabilities | - | - | - | - | - | - | - | - | - | - | - | - | - | 9,724 |
| Due to other funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred revenues | - | - | - | - | - | - | - | - | 52,547 | - | - | - | 52,547 | 2,566 |
| Current L/T Debt | - | - | - | - | - | - | - | 33,440 | - | - | - | - | 33,440 | 40,101 |
| Total | - | - | - | - | - | - | 10,991 | 33,440 | 93,493 | 1,839 | 4,353 | 68 | 144,389 | 136,055 |
| Total | - | - | - | - | - | - | - | 660,957 | - | - | - | - | 660,957 | 700,945 |
| Total | - | - | - | - | - | - | - | - | - | - | - | - | 660,957 | 700,945 |
| Total liabilities | - | - | - | - | - | - | 10,991 | 694,397 | 93,493 | 1,839 | 4,353 | 68 | 805,346 | 837,000 |
| Net assets: | | | | | | | | | | | | | | |
| Unrestricted | 1,887 | 16,057 | 129,189 | 3,434 | 7,925 | - | - | (694,397) | (0) | 0 | - | - | (535,904) | 187,364 |
| Temporarily | - | - | - | - | - | 90,087 | 108,870 | - | - | - | - | 30,952 | 238,891 | 62,887 |
| Permanently | - | - | - | - | - | - | - | 1,645,667 | - | - | - | - | 1,645,667 | 957,192 |
| Total net assets | 1,887 | 16,057 | 129,189 | 3,434 | 7,925 | 90,087 | 108,870 | 951,270 | (0) | 0 | - | 30,952 | 1,348,654 | 1,207,463 |
| TOTAL | \$ 1,887 | \$ 16,057 | \$ 129,189 | \$ 3,434 | \$ 7,925 | \$ 90,087 | \$ 119,861 | \$ 1,645,667 | \$ 93,493 | \$ 1,839 | \$ 4,353 | \$ 9,050 | \$ 2,153,999 | \$ 2,044,463 |

CENLA COMMUNITY ACTION COMMITTEE, INC.
COMBINING STATEMENTS OF ACTIVITIES
YEARS ENDING MARCH 31, 2009

| BENEVOLENT FUND | NON FED | PAYROLL | NON FED | CEN ADMIN | ENERGY | SENIOR SERVICES | FIXED ASSETS | HEAD START | CSEB | CSEB | CSEB | CACFP | 2009 Total | 2008 Total |
|------------------------------|------------|---------|------------|--------------|-----------|--------------------|-----------------|---------------|--------|---------|----------|---------|---------------|---------------|
| Revenues | | | | | | | | | | | | | | |
| Interest | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grant Revenues | - | - | - | - | 1,552,898 | 97,947 | - | - | 77,132 | 348,697 | - | 604,598 | 8,789,372 | 7,751,726 |
| FEMA | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Homeland Security | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Local | - | - | - | - | 35,191 | - | - | 6,928 | - | - | - | - | 46,411 | 71,090 |
| Senior Citizens | - | - | - | - | - | - | - | - | - | - | - | - | - | 25,605 |
| Donations | - | - | - | - | - | - | - | 500 | - | - | - | - | 500 | 47,881 |
| | - | - | - | - | 1,588,089 | 97,947 | - | 7,428 | 77,132 | 348,697 | - | 604,598 | 8,836,283 | 7,896,242 |
| Net Assets Released | | | | | | | | | | | | | | |
| Program Reduction | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Mortgage Retirement | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Equipment Acquisition | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Expiration | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | 1,588,089 | 97,947 | - | 7,428 | 77,132 | 348,697 | - | 604,598 | 8,836,283 | 7,896,242 |
| Expenses | | | | | | | | | | | | | | |
| Head Start | - | - | - | - | - | - | 141,055 | - | - | - | - | - | 6,014,044 | 6,204,867 |
| CACFP | - | - | - | - | - | - | - | - | - | - | - | 604,598 | 604,598 | 416,705 |
| CSEB | - | - | - | - | - | - | - | - | 68,150 | 317,775 | 21,034 | - | 406,959 | 581,827 |
| Homeland Security | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Energy | - | - | - | - | 1,531,867 | - | - | - | - | - | - | - | 1,531,867 | 599,279 |
| TANF | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| FEMA | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Senior Citizens | - | - | - | - | - | 34,059 | - | - | - | - | - | - | 34,059 | 85,557 |
| General Services | - | - | - | - | - | - | - | - | - | - | - | - | 100,422 | 62,535 |
| Client Assistance | - | - | - | - | - | - | - | - | - | - | - | - | 3,144 | - |
| | - | - | - | - | 1,531,867 | 34,059 | 141,055 | 6,214 | 68,150 | 317,775 | 21,034 | 604,598 | 8,693,093 | 7,950,770 |
| Total | 149 | 3,144 | 92,393 | 1,666 | - | - | - | 6,214 | 68,150 | 317,775 | 21,034 | 604,598 | 8,693,093 | 7,950,770 |
| Changes in net assets | | | | | | | | | | | | | | |
| | (149) | (3,144) | (92,393) | 2,626 | - | 56,222 | (141,055) | 235,111 | 8,982 | 30,922 | (21,034) | - | 141,190 | (54,528) |
| Beginning Net Assets | 2,036 | 19,201 | 31,905 | 808 | 7,925 | 33,865 | 1,045,676 | - | - | 30 | 21,034 | - | 1,207,462 | 1,261,990 |
| Transfer out | - | - | - | - | - | - | - | (189,676) | - | - | - | - | (424,787) | (40,604) |
| Transfer in | - | - | 189,677 | - | - | - | 46,649 | 188,462 | - | - | - | - | 424,788 | 40,604 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Ending Net Assets | 1,887 | 16,057 | 129,189 | 3,434 | 7,925 | 90,087 | 951,270 | (0) | 8,982 | 30,952 | - | - | 1,348,653 | 1,207,462 |